

EXHIBIT 14

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA

IN RE: PORK ANTITRUST
LITIGATION

Case Number:
0:18-cv-01776
JRT-HB

This document relates to
all actions.

Video Deposition of
SETH MEYER, Ph.D.
Wednesday, June 15, 2022
9:03 a.m.

Job No. 845998

Reported by: Laurie Donovan, RPR, CRR, CLR

1 number of, number of hogs is predetermined.

2 So the only short-run effect that you can
3 have on pork production is through changes in
4 how much you -- what weight you feed them to.

5 So the impact in the short run is modest.

6 You might feed them to a lighter weight,
7 because feed is more expensive.

8 BY MS. STUPAR:

9 Q Okay, and just to -- before I go to the
10 other question, just to follow up on one thing
11 that you said to make sure I understand it.

12 You said the number of hogs is
13 predetermined. What does that mean?

14 A There is a biological lag. You can't
15 change the number of hogs today, because it takes
16 breeding, gestation, and fattening, slaughter, to
17 the grocery store takes a significant period of
18 time.

19 Q Okay, and can you explain to me then --
20 the second question? Can you explain to me the
21 relationship between corn prices and hog supply in
22 the long term?

23 A So longer run, those folks will -- there
24 will be a response in which that additional cost
25 must be borne -- that additional cost of feed must

1 be borne by all participants in the supply chain,
2 and folks will adjust the number of hogs to
3 reflect that. So in the longer run, it should
4 pull back -- all else equal, it will pull back on
5 the number of hog supply.

6 Q Okay. You said "adjust the number of
7 hogs." Can you explain what you mean by that?

8 A So if I am a hog producer and I see my
9 primary cost rise, and I only have a limited
10 ability -- the consumers will pay some of this,
11 but I'll have a limited ability. I will adjust --
12 again, with a lag -- breeding, the farrowing, you
13 know, the farrowing part of this and the
14 fattening part of this, I will reduce my hog
15 numbers to reflect that.

16 Q Understood. That's really helpful.

17 So let's talk about the Renewable Fuel
18 Standard specifically, okay.

19 Can you tell me at a high level what the
20 Renewable Fuel Standard was?

21 A So the Renewable Fuel Standard is a
22 piece of legislation which sets a -- sets mandates
23 for the inclusion of specific classes of biofuels
24 into the transportation sector.

25 Q Okay, and so my understanding is that in

1 2005, the U.S. government had some sort of
2 regulation, and then in 2007 -- again, is that, is
3 that fair? Can you explain that timeline to me,
4 please?

5 A So in two thousand --

6 MR. EDDY: This is David Eddy.

7 Object to form. Sorry.

8 THE WITNESS: It's okay. I just --

9 I will take a breath in between --

10 BY MS. STUPAR:

11 Q Yes.

12 A -- so we don't get confused.

13 Q Go ahead.

14 A Okay. So there was an existing piece --
15 there was an existing RFS which had a single -- in
16 2007, existing legislation was changed to include
17 a broader number of fuels in different classes,
18 when before I believe it was a single set of
19 fuels, but in 2007, it expanded and broadened the
20 requirements for blending of these different
21 classes of fuel.

22 Q Okay, and so -- and that would include
23 ethanol; is that right?

24 A Ethanol is a fuel which qualifies, but
25 there is no requirement under the mandate that it

1 make other adjustments to the herd, and that
2 depends on how much money they're making.

3 Q And so if you had a situation where,
4 where ICEC believes that producers would lose
5 money for a prolonged period, do you think that
6 their projections would show them increasing
7 supply?

8 MR. EDDY: Objection to form.
9 Vague, ambiguous, lack of foundation, calls
10 for speculation.

11 MR. SIMON: I'm going to object as
12 to form as well. The witness is not here as
13 an expert.

14 THE WITNESS: So what do I do?

15 MR. SIMON: You can answer the
16 question to the extent, you know, based on
17 your duties at the USDA.

18 THE WITNESS: My read of this is
19 that they have assessed that 2007 pork
20 production -- so the amount of meat pork
21 produced -- will fall because of rising feed
22 costs. That is an assessment that their
23 profitability will be trimmed by higher feed
24 costs, and they will seek to minimize that
25 cost by cutting production. That's what this

1 says.

2 BY MS. STUPAR:

3 Q Sure. Okay. As an agricultural
4 economist, if you saw a projection saying that
5 producers would continue to increase their supply
6 in light of prolonged losses, what would your
7 reaction to that projection be?

8 A All else equal --

9 MR. EDDY: Objection to form, vague
10 and ambiguous, calls for speculation, and not
11 an expert. Thank you.

12 MR. SIMON: I'm going to object as
13 well, same grounds.

14 THE WITNESS: Economic theory tells
15 us you don't continue to produce while you're
16 losing money in the long run unless you
17 expect something else to happen, all else
18 equal.

19 (Exhibit 4 was marked for
20 identification.)

21 BY MS. STUPAR:

22 Q Not to hide the ball, we're going to do
23 one every year --

24 A Okay.

25 Q For a couple of years in a row just to

1 keep things going, so this is June 10, 2008.

2 A Okay.

3 Q Okay. So let's start, as I said that we
4 would every time, let's look at what's going on
5 with corn. If you go with me to the second page,
6 the first short paragraph starts with "The
7 2008/2009 marketing."

8 Do you see that?

9 A Mm-hmm.

10 Q So it says, "The 2008/2009 marketing
11 near average farm price for corn is projected 30
12 cents higher on both ends of the range at \$5.30 to
13 \$6.30 per bushel."

14 Do you see that?

15 A Yes.

16 Q And so we're in 2008. That number is
17 higher, or the projected corn price is higher than
18 it was in 2007; is that right?

19 A Yes.

20 Q Okay, and that's likely the result of
21 corn prices increasing as a result of the ethanol
22 mandate?

23 MR. EDDY: Objection to form; lack
24 of foundation.

25 THE WITNESS: I wouldn't know how

1 with high feed costs if output prices were very,
2 very strong. I think this is an assessment that
3 the returns for producers for marginal weight gain
4 does not justify putting on that marginal weight
5 gain. That's what they're asserting within this
6 publication. That's consistent -- in and of
7 itself, in isolation, that's consistent with what,
8 as an economist, I would expect.

9 Q Okay. All right. Let's just to
10 exports. That's the next paragraph.

11 The second sentence says, "The beef
12 export forecast is fractionally higher, but pork
13 exports in 2008 are reduced, reflecting lower than
14 expected sales in the first quarter."

15 Do you see that?

16 A I don't. I apologize.

17 Q No, that's fine.

18 A Which paragraph are we in?

19 Q So it's the second paragraph under
20 "Livestock, Poultry and Dairy," and I was reading
21 the second sentence.

22 A Okay. Yes. I, I see it, yes.

23 Q So it's noting that exports have been --
24 the forecast for exports was reduced; is that
25 fair?

1 A Their assessment of exports from last
2 month is lowered for the first quarter, yes.

3 Q And so we talked about, a little bit
4 earlier about the export market, and I'm just
5 curious, as an economist, under what circumstances
6 would you forecast exports to go down. Like what
7 kinds of things would impact you saying, hey,
8 maybe we should make exports forecasting down?

9 MR. EDDY: Objection to form.

10 THE WITNESS: Okay. So again,
11 among the factors that influence exports,
12 again, price, price of other products, what
13 trade agreements might be in place, what the
14 economic position of our customers overseas
15 is. All those things would be factors to
16 assess what exports might be.

17 Here, they don't assess anything
18 other than they have said sales are going to
19 be lower. This doesn't tell why they say
20 those sales are going to be lower.

21 BY MS. STUPAR:

22 Q Sure, yeah, because I -- sorry. I
23 didn't mean about that specific point in time.

24 A Okay.

25 Q I just used it as a jumping-off point.

1 You referred to trade agreements earlier
2 as a factor you would consider when thinking about
3 exports. Can you just expand on that a little bit
4 more?

5 A So when one assesses market access, that
6 is a factor in determining how much our exports
7 market access to other countries. One would
8 evaluate that as one possible factor in
9 determining how potential customers may respond.
10 What's, what's the size and viability of that
11 market. That's one of the factors. The WASDE
12 always considers policy in place.

13 Q And so you said "market access." What
14 do you mean by that?

15 A There are -- other countries may impose
16 tariffs and other non-tariff barriers. There may
17 be asymmetries in our production practices, not
18 acceptable to foreign partners.

19 Q Okay. So if you see a tariff being
20 implemented or taken away, for example, that's
21 something you would think about in terms of having
22 a potential impact on exports?

23 A Correct.

24 Q Okay, or a full out ban of a particular
25 product into a country is something you would

1 not catching up. Page 42?

2 MS. STUPAR: Yeah, I'm on 41 and
3 saying here is the heading that page 42 will
4 be under.

5 (Discussion was held off the
6 record.)

7 BY MS. STUPAR:

8 Q Okay. So it says, "In 2009, U.S. pork
9 exports declined from the 2008 level, but were
10 higher than in years prior to 2008. One reason
11 for the decline was that Chinese import demand
12 lessened as its domestic supplies rebounded. Pork
13 exports in 2009 were also impacted by the global
14 economic downturn and by the enactment of bans on
15 U.S. pork in numerous countries related to
16 concerns over H1N1 influenza commonly known as
17 'swine flu.'"

18 Do you see that?

19 A I do.

20 Q Is that consistent with the other
21 document we looked at earlier, talking about a ban
22 from China due to an alleged disease concern?

23 MR. EDDY: Object to form.

24 MR. SIMON: Object to form as well.

25 THE WITNESS: I don't know. I'm

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1 sorry. I don't know if that's what Fred Gale
2 was referring to. I don't.

3 BY MS. STUPAR:

4 Q Okay. Fair enough. Do you recall any
5 sort of a ban from China as a result of the swine
6 flu?

7 A During this period, no.

8 Q Okay. Fair enough.

9 The next sentence says, "Most
10 influenza-related bans on U.S. pork were lifted in
11 2010, and with purchasing power rising in major
12 export markets, U.S. pork exports have increased
13 in both volume and value, despite a decline in
14 2013."

15 Do you see that?

16 A Yes.

17 Q Okay, and so we talked about earlier
18 market access being a potential impact or a
19 potential factor that you would consider when
20 thinking through exports, so if, in fact, China
21 had this influenza ban and then lifted it, and we
22 saw exports increase to China as a result, would
23 that be surprising to you as an economist?

24 A No.

25 Q Okay, and any reason to doubt the

1 information here provided by the United States
2 International Trade Commission?

3 MR. EDDY: Object to form.

4 THE WITNESS: I haven't read it,
5 and while I respect them, I'm not going to
6 vouch for them in this instance, because I
7 don't know. I haven't looked at it.

8 BY MS. STUPAR:

9 Q Sure.

10 A But they do good work.

11 Q Sitting here today, you don't have a
12 specific --

13 A No.

14 Q -- data point in mind that would counter
15 anything in this paragraph; is that fair?

16 A Correct.

17 Q Okay. All right. You can set that to
18 the side, and we're going to do -- I think it's
19 our second to last WASDE. So this is Tab 9.

20 (Exhibit 9 was marked for
21 identification.)

22 (Discussion held off the record.)

23 THE VIDEOGRAPHER: Going off the
24 record at 10:57.
25

1 months, but I'm not going to sell it for six
2 months.

3 So what are my feed costs going to
4 be in that period, including maintaining the
5 sow, and then finishing the animal, and then
6 assess that profitability out six months from
7 now.

8 BY MS. STUPAR:

9 Q Thank you.

10 As an economist, do you think that you
11 could accurately predict future hog supply without
12 considering producers' margins in the short and
13 long term?

14 MR. EDDY: Objection to form, calls
15 for speculation, beyond the scope.

16 THE WITNESS: When they do this and
17 they look out a year, they assess where we
18 are today and what the signals to producers
19 are in the future. So where we are today
20 with the breeding herd, and what are the
21 signals going forward. Those signals include
22 expected margins for producers when they
23 forecast for the out year, and they're
24 assessing that those feed prices will keep
25 market animal weights in check.

1 BY MS. STUPAR:

2 Q Do you think that it is possible to
3 accurately project hog supply into the future
4 without considering producer margins?

5 MR. EDDY: Objection to form; calls
6 for speculation.

7 THE WITNESS: Producer margins are
8 one of the critical factors in determining
9 expectations for future pork production.

10 BY MS. STUPAR:

11 Q And let's do our usual and end on
12 exports here.

13 A Okay.

14 Q Okay. The next paragraph, it starts
15 expert -- "export forecasts."

16 Do you see that?

17 A Mm-hmm.

18 Q And then the third sentence talks about
19 pork specifically. "Pork, broiler and turkey
20 exports were larger than expected in the first
21 quarter and the forecasts for the remainder of
22 2011 are raised."

23 Do you see that?

24 A I do.

25 Q And so the ICEC is looking at three

1 different proteins and saying, hey, their exports
2 are pretty high, and so we'll take that into
3 account in adjusting our forecast up for the
4 remainder of 2011; is that fair?

5 A I think I would read it slightly
6 differently --

7 Q Sure.

8 A -- which is they have observed actual
9 information for 2011. That actual information for
10 2011 was higher than they had forecast before the
11 period start. And then they also assess that that
12 strength will continue, so they have assessed
13 what's happened so far in 2011 is stronger than we
14 anticipated, and therefore we've raised that,
15 because we've observed it, and we are also raising
16 the rest of our 2011 forecast for the remainder of
17 the year.

18 So they're, they're seeing higher actual
19 data and forecasting a higher number for the
20 remainder of the year, leading them to a higher
21 overall number for 2011.

22 Q And that's for pork, broilers and
23 turkey, right?

24 A Correct.

25 Q And so you've got three proteins at the

1 expected -- every demand category would have
2 to assess their willingness to pay for -- to,
3 to bid for what is a smaller, sharply smaller
4 corn crop.

5 BY MS. STUPAR:

6 Q And in the livestock industry, a way to
7 ration demand, as you said, would be to feed less
8 or reduce supply; is that fair?

9 A It is fair that one of the measures that
10 the livestock industry can take is to control
11 weights or cut animal numbers being produced,
12 yeah.

13 Q Could they have just passed on those
14 record high corn prices?

15 A You mean can they -- they can pass some
16 of --

17 MR. STEWART: Object to form. I'm
18 sorry. Object to form, object to scope.

19 THE WITNESS: I think the
20 relationship between feed prices, animal
21 prices and meat prices is -- I mean is very
22 incident-specific, okay, but some -- when a
23 livestock producer sees costs rise,
24 eventually that cost has to make its way up
25 the chain.

1 BY MS. STUPAR:

2 Q Is it possible for them to pass on all
3 of the costs, all of the costs? So here we're
4 looking at record high corn prices, for example.
5 Couldn't they have just passed on all of those
6 costs?

7 MR. EDDY: Object to form; calls
8 for speculation.

9 MR. SIMON: Same objection.

10 THE WITNESS: I think their, their
11 ability to -- they will always attempt to
12 push some of those costs on. Their ability
13 to do that kind of depends on the context in
14 which they are in. So it is difficult for
15 them to pass all of those costs on. Their
16 ability to pass -- their fractional ability
17 to pass that on is incredibly context-
18 specific.

19 BY MS. STUPAR:

20 Q And that could depend on demand at the
21 time, for example?

22 A It could depend on availability of other
23 meat supplies. It could be availability of other
24 meat supplies internationally. It could depend on
25 a consumer's economic -- it could depend on a

1 consumer's economic conditions. Could depend on
2 lots of factors which determine their ability to
3 pass that increase in feed costs on.

4 Q So it's not just a given for a producer
5 to pass on all of their costs increase to the end
6 user; is that fair?

7 A Yes.

8 Q Okay. Did we even get to the -- yes.
9 Okay.

10 Let's go to the "Livestock, Poultry and
11 Dairy" section. I realized we didn't get to that.
12 Page 4.

13 Okay. So the first sentence in that
14 section -- you with me?

15 A Mm-hmm.

16 Q Okay. "The forecast for 2012 total red
17 meat and poultry production is raised from last
18 month, but the forecast for 2013 is reduced as
19 higher feed prices are expected to pressure
20 producer returns."

21 Do you see that?

22 A I do.

23 Q Do you understand that?

24 A I do.

25 Q Can you explain that to me, please.

1 A So again, this is an assessment relative
2 to their forecast the previous month. This report
3 is from August, so they are making some assessment
4 in which they are not determining, for 2012, that
5 they're raising their production, and they are not
6 stating whether that is coming from observed
7 history or some forecast assessment for the
8 remainder of 2012.

9 So there is a constant shift throughout
10 the year from actual data to forecast. Whatever
11 assessment they're basing here on, they do not
12 specify whether that's historical change or
13 forecast change, okay?

14 But when they look forward to 2013,
15 which is purely a forecast, they are assessing
16 that they will cut total red meat and poultry
17 production in part as a result of higher feed
18 prices, because they're expected to pressure
19 producer returns.

20 So when they're looking forward, they
21 have highlighted that producer returns on high
22 feed prices will lower production in 2013, and it
23 is unclear why they are make the adjustments in
24 2012.

25 Q Okay, but they're, they're saying that

1 Do you see that?

2 A Yes.

3 Q Do you agree generally with the
4 principle that preferential tariff treatment could
5 mean higher export rates of pork?

6 MR. EDDY: Objection to form.

7 THE WITNESS: Relative to
8 non-preferential treatment?

9 BY MS. STUPAR:

10 Q Yes.

11 A Then yes.

12 Q So if you have a situation where, like
13 Korea, for example, where it says beforehand there
14 were some sort of -- there was some sort of
15 tariff, and then it's lifted as of January 1,
16 2014, would it make sense to you to see an
17 increase in exports to Korea, for example?

18 A In isolation, yes. All else equal, yes.

19 Q Okay. Totally fair. Do you recall, do
20 you recall this bilateral free trade agreement
21 with Korea?

22 A I don't.

23 Q Okay. Totally fair.

24 A Don't recall the details.

25 Q I'm asking you to recall a lot of things

1 today.

2 Okay. If we can go down to talk about
3 Mexico. It's the second to last paragraph, "on
4 August 19."

5 Do you see that?

6 A Yes.

7 Q Okay. "On August 19, 2009, Mexico
8 imposed a five percent ad valorem tariff on
9 imports of pork from the United States as part of
10 a long-running dispute that had kept Mexican motor
11 carriers from engaging in cross-border trucking.
12 An agreement to end the dispute was announced
13 July 6, 2011, and consequently the retaliatory
14 tariff was halved. The remaining tariff was
15 eliminated in October 2011, when the first permit
16 to a Mexico trucking firm was granted."

17 Do you see that?

18 A I do.

19 Q Do you recall anything about this
20 tariff?

21 A I do not.

22 Q Does it make sense to you, as an
23 economist, that if a tariff like this was lifted,
24 that exports to Mexico would increase?

25 MR. STEWART: Object to scope.

1 THE WITNESS: All else equal, yes.

2 BY MS. STUPAR:

3 Q Okay, and then let's just do the next
4 page. There's a paragraph on Korea. I'll just
5 read the last sentence, because we talked about
6 Korea a little bit earlier, and I want to be
7 mindful of time.

8 "The remaining duties on all other U.S.
9 pork shipments will be phased out over ten years
10 and will be duty-free as of January 1, 2021."

11 Do you see that? Just the last
12 sentence.

13 MR. EDDY: Jenna, what page are we
14 on? I'm sorry. I lost track here.

15 MS. STUPAR: 44.

16 MR. EDDY: Thank you.

17 MS. STUPAR: Yes.

18 THE WITNESS: Yes.

19 BY MS. STUPAR:

20 Q Okay. Do you recall anything about --

21 A I don't.

22 Q Okay. Fair enough. Then we can just
23 move on.

24 The next section on page 45 -- I'll try
25 and be clear with the pages for you guys -- talks

1 about sanitary regulations. We already talked
2 about influenza, so we can move to the next page,
3 and this is kind of my last, my last set of
4 questions on this document is what we have on the
5 top of page 46.

6 I'm not even going to try and pronounce
7 that word. Ractopamine?

8 A Yes.

9 Q Is that right?

10 A Ractopamine.

11 Q Ractopamine? Okay. Are you familiar
12 with ractopamine?

13 A I know what it is.

14 Q Okay. So you're beating me, but I'll
15 read, I'll read the first sentences here.

16 "As noted previously, several foreign
17 governments ban imports of pork from swine
18 produced using ractopamine, a veterinary drug that
19 promotes lean meat growth in swine." I'll pause
20 there.

21 Does that comport with your recollection
22 or anything that you've heard before?

23 A It comports with my understanding of
24 what the use of ractopamine in swine is for.

25 Q Okay. Do you recall any foreign